

CALIFORNIA MEDICAL ASSISTANCE COMMISSION

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**CALIFORNIA MEDICAL ASSISTANCE COMMISSION**

State Capitol, Room 112
Sacramento, CA

Minutes of Meeting
January 10, 2008

COMMISSIONERS PRESENT

Cathie Bennett Warner
Michele Burton, M.P.H.
Wilma Chan
Vicki Marti
Nancy McFadden
John Longville

CMAC STAFF PRESENT

Tacia Carroll
Paul Cerles
Denise DeTrano
Holland Golec
Katie Knudson
Genaro Rodriguez
Becky Swol
Mike Tagupa
Mervin Tamai
Karen Thalhammer

COMMISSIONERS ABSENT**EX-OFFICIO MEMBERS PRESENT**

Nancy Hutchison, Department of Health Care Services

EX-OFFICIO MEMBERS ABSENT

Thomas Williams, Department of Finance

I. Call to Order

The January 10, 2008 open session meeting of the California Medical Assistance Commission (CMAC) was called to order by Commissioner Vicki Marti. A quorum was present.

II. Approval of Minutes

The December 13, 2007 meeting minutes were approved as prepared by CMAC staff.

III. Executive Director's Report

Paul Cerles, Deputy Director and Supervising Negotiator, began his report by hoping everyone had a happy holiday season, and that he would be filling in for the Executive Director at today's meeting.

Mr. Cerles informed the Commissioners of a couple new changes in CMAC personnel. First he announced the resignation of Commissioner Jerome Horton effective December 20, 2007. Mr. Cerles expressed his appreciation for all of Commissioner Horton's hard work while with CMAC and noted that he will be missed. A replacement for Commissioner Horton has not been appointed as of yet.

Mr. Cerles also informed the Commissioners that Senior Negotiator Steve Soto has accepted a position as the Assistant Division Chief for the Medi-Cal Managed Care Division at the Department of Health Care Services (DHCS). Mr. Cerles added that Mr. Soto will also be missed.

Mr. Cerles indicated that the Governor's Budget will be released later today, and that he has asked CMAC's Ex-Officio Member Thomas Williams, Department of Finance, to give the Commission an update on related issues at the January 24, 2008 meeting.

Regarding the Distressed Hospital Fund, Mr. Cerles explained that the deadline for proposals was on the previous Friday. CMAC received 77 proposals requesting approximately \$239 million, even though 30 of the proposals did not request a specific dollar amount CMAC is currently reviewing the proposals. Mr. Cerles noted that in the first component of the Distressed Hospital Fund there is \$16 million plus possible federal matching dollars. CMAC could possibly receive additional funds later in the year if stabilization dollars become available.

Mr. Cerles indicated that there are is a full closed session agenda today with 14 contracts and amendments before the Commissioners for review and action, as well as a number of key updates and discussions regarding current hospital and managed care negotiations.

IV. Department of Health Care Services (DHCS) Report

Nancy Hutchison, DHCS, was pleased to announce that the Physician State Plan Amendment (SPA), which is part of the hospital financing waiver, was approved after over two years of negotiations. DHCS is currently working on receiving federal approval for a time-study methodology to capture the physician and non-physician practitioner costs in the next 45 days.

Regarding the 2005 Health Coverage Initiative, Ms. Hutchison reported that DHCS has contracted with the University of California Los Angeles (UCLA) to help evaluate and give DHCS information on the impact of this initiative in all 10 counties. She noted that the evaluation plan has been submitted to Centers for Medicare & Medicaid Services (CMS).

V. Request for Public Comment on FY 2007-08 Distressed Hospital Fund Process

See summary of comments page attached.

VI. New Business/Public Comments/Adjournment

There being no further new business and no comments from the public, Chair Bennett Warner recessed the open session. Chair Bennett Warner opened the closed session, and after closed session items were addressed, adjourned the closed session, at which time the Commission reconvened in open session. Chair Bennett Warner announced that the Commission had taken action on hospital and managed care contracts and amendments in closed session. The open session was then adjourned.

Summary of Public Comments on Distressed Hospital Fund (DHF) Process

January 10, 2008 Commission Meeting

Darby Kernan – Senator Corbett’s Office

- Emphasized the importance for St. Rose Hospital to receive distressed hospital funding.
- St. Rose is one of the only Medi-cal and Disproportionate Share Hospital (DSH) hospitals in Alameda County.

Barbara Glaser – California Hospital Association (CHA)

- CHA is both supportive and pleased with the way CMAC conducts the DHF process.
- Would like to see CMAC allow more time for hospitals to submit their DHF proposals.

Michael Taylor – St. Rose Hospital

- Additional funding is most effective when allocated to those hospitals that can demonstrate that lack of funding is the cause to their financial distress.
- Hospitals applying for DHF should be able to demonstrate their operating efficiency relative to other hospitals through Office of Statewide Health Planning and Development (OSHPD) data.
- The best measurement of financial distress should be how much the hospital has “in the bank.”

Sherreta Lane – California Children’s Hospital Association (CCHA)

- Nonprofit regional children’s hospitals throughout California see 50 to 70 percent of the Medi-Cal population.
- DHF is important to safety net hospitals with very special needs, such as children’s hospitals, and CCHA is appreciative of the discretion CMAC exercises and the understanding CMAC provides towards their member hospitals.
- CMAC should recognize the financial losses that occur in hospitals’ outpatient services.